

Virginia Department of Health  
Division of Water Supply Engineering

DWSRF Survey Report

July, 2001

Conducted by the Department of Marketing and  
Office of Management and Professional Development Programs,  
Pamplin College of Business, Virginia Tech  
for the DWSE Strategic Planning Steering Committee

## Introduction

As one critical component of its strategic planning activities, the Virginia Department of Health contracted with Virginia Tech to conduct this survey of waterworks owners with regard to the Drinking Water State Revolving Fund program. Two surveys were conducted by mail from late June to early July, 2001. The surveys provide information on waterworks owner awareness and perceptions of the DWSRF program and the procedures involved in making application to it. One survey was mailed to owners who had applied to the program and the other was sent to owners who had never made application to the DWSRF program. This report summarizes the results of both surveys.

## Method

Development of the survey instrument was coordinated with and approved by the Strategic Planning Steering Committee. In order to assure anonymity of the respondents, the survey was conducted by the Department of Marketing at Virginia Tech, under the direction of Professor Kent Nakamoto.

The surveys were conducted by mail. Surveys with cover letter from Professor Nakamoto were mailed to the two lists of waterworks owners on June 23. Copies of the letter and the survey instruments are included in Appendices A and B. The cover letter requested a response by July 6 and the survey was actually closed on July 17.

A total of 251 responses to the non-applicant survey and 43 responses to the applicant survey were received. This represents a response rate of about 26% and 18% for the two surveys (based on deliverable surveys). The difference in response rates is most likely a function of the length of the surveys—the non-applicant survey being substantially shorter and simpler to complete.

## Results

The survey instruments in Appendix A and B are annotated with response frequencies. Open-ended responses are tabulated immediately following each questionnaire. The survey results are summarized below.

### *Non-applicant Survey Summary*

- Respondent profile: 69% of respondents served 200 or fewer connections, 14% serve 201-1,500; 8% serve 1,501-5,000; 9% serve more than 5,000.
- 80% of respondents were aware of DWSRF and the vast majority heard about it through a VDH mailing (75%) or a VDH staff member (8%).
- 17% had made a personal contact with VDH associates involved with DWSRF, and of those 94% indicated that the associate was knowledgeable and 93% indicated that their questions had been answered to their satisfaction.

- 71% recalled being invited to a DWSRF Application Workshop; 4% had attended one. Of those who had attended, 100% indicated that the workshop was informative and 88% indicated that the workshop provided enough information to prepare an Application.
- 27% had seriously considered applying to DWSRF. Major reasons for not applying: too difficult (18%), funding not needed (39%), waterworks not eligible (22%), project not eligible (15%).
- With respect to the last improvement project the waterworks had undertaken: 23% applied to a funding source other than VDH and of those who did, 27% received funding. For 21% this was repeat funding.

#### *Applicant and Recipient Survey Summary*

- Respondent profile: compared to non-applicants, applicants tended to be larger—only 28% of respondents serve 200 or fewer connections, 39% serve 201-1,500; 25% serve 1,501-5,000; 8% serve more than 5,000. 40% applied in 2001, 46% applied in either 1999 or 2000, and 16% applied in earlier years.
- Type of funding requested: 56% Construction, 22% planning, 7% planning and construction, 15% other.
- Funding need: Solve documented health hazard (26%), Upgrade treatment facilities (33%), Upgrade distribution facilities (23%), Extend service to unserved areas (23%), Regionalization (12%).
- Why they chose VDH: Easy process (19%), Low interest loan (72%), Grant dollars (58%), Terms out to 30 years (22%), Fast turnaround (17%).
- 34% of respondents applied to another funding source as well. Sources are listed in Appendix B.
- For the vast majority, the VDH deadline was conveniently aligned with other deadlines (90%).
- Application instructions were helpful (95%) but 73% had to contact VDH with questions and 96% of those indicated VDH associates were helpful.
- Difficulty of application: difficult (13%), neutral (28%), not difficult (60%), and 91% felt VDH's application process was easier or comparable in difficulty to those of other sources.
- Only 5% indicated that the decision was slow.

- Of the 34% of respondents who did not receive funding, 67% were satisfied with VDH's explanation. 29% plan to reapply next year and the only reason provided was that other funding had been obtained.
- To increase the attractiveness of the DWSRF, the most important improvements would be larger grants (cited by 40% of respondents) and lower interest rates (30%).
- Additional funding was received by 36% of recipients and 23% indicated that VDH funding helped in obtaining this added funding.
- VDH advice and technical assistance was helpful to 67% of recipients.
- In the initial meeting, the procedures for receiving funding, next steps in implementation, recipient's questions, and identification and role of VDH associates in administering the project were made clear for at least 95% of recipients. In addition, 96% indicated VCH associates were responsive and helpful in administering the project.
- 95% of respondents indicated that the VDH Project Schedule was helpful in maintaining focus on completing the elements needed to close the loan.
- Few recipients cited problems in closing: Parity (3), Land title (2), VDH Construction Permit (1), Environmental Review (2), Other agencies (2).
- Timely processing of Requests for Disbursement was reported by 92% of recipients.
- 91% would apply again if a funding need arose.

### *Overall Summary*

Awareness of the program is high among both applicant and non-applicant groups. Also, VDH appears to be doing a good job providing information and feedback to potential and current applicants. Among non-applicants, it appeared that understanding of the program was not a major deterrent to participation. Rather, the owners did not have a funding need or perceived that either their waterworks or their projects were not eligible for funding. Only 18% cited the difficulty of applying as an obstacle.

Among applicants and recipients, despite some sporadic reporting of processing concerns, the benefits of the program were obvious and important. Response to VDH involvement seemed generally positive. Terms of the funding (availability of grants and low interest rate) were the most important reasons for applying to DWSRF and the most important recommendations for improvements centered on the terms—advocating a larger portion of funding in the form of grants and a lower interest rate on loans. General comments also suggested concern for broadening grant criteria and types of projects funded.

Appendix A

**Nonapplicant Survey**

June 22, 2001

Dear Waterworks Owner:

We are conducting this survey of waterworks owners for the Virginia Department of Health in order to help it improve its services to you. VDH is particularly interested in your perceptions of the Drinking Water State Revolving Fund program, specifically your awareness of the program and your feelings about how it could be improved. The survey is short and should take only a few minutes to complete. Your responses will remain completely anonymous.

Please return your survey in the enclosed business reply envelope by Friday, **July 6, 2001**. No postage is required.

Should you have any questions about the survey, please feel free to contact me. Thank you very much for your help.

Sincerely,

*Kent Nakamoto*

R.B. Pamplin Professor of Marketing

### Virginia Department of Health DWSRF Survey

1. Have you heard of VDH's Drinking Water State Revolving Fund (DWSRF) financial assistance program?

85% Yes                      15% No

If NO, please skip to Question 7.

2. How did you hear about the DWSRF program? (Check all that apply)

94% VDH mailing

11% VDH Staff member

4% Other Waterworks Manager

1% Community Leader

5% Other (Please specify) \_\_\_\_\_

3. Have you made personal contact with VDH associates involved in administering the Virginia DWSRF Program?

21% Yes                      94% No

If Yes:

- a. Did the VDH associates appear to be informed of the Program benefits and requirements?

93% Yes                      7% No

- b. Did the VDH associates answer your questions to your satisfaction?

93% Yes                      7% No

4. Have you received an invitation to attend a DWSRF Application Workshop?

71% Yes                      29% No

5. Have you attended a DWSRF Application Workshop?

4% Yes                      96% No

If Yes:

- a. Was the Workshop informative?

100% Yes                      0% No

- b. Did the Workshop provide you with sufficient information to prepare an Application?

88% Yes                      12% No

6. Have you ever seriously considered applying for funding through the DWSRF?

27% Yes                      73% No

If No, why not? (Please check all that apply.)

18% Too difficult to apply

39% Funding not needed

22% My waterworks not eligible to apply under this program

15% My project not eligible for funding under this program

15% Other (Please specify) \_\_\_\_\_

7. (For Questions 7 to 9, please think about the last major improvement project that you undertook for your waterworks.)

Did you apply to a funding source other than VDH for this project?

23% Yes                      77% No

If Yes, to whom did you apply? \_\_\_\_\_

8. Did you obtain funding from that source?

27% Yes                      73% No

9. Have you obtained funding from that source in the past for other projects?

21% Yes                      79% No

10. For classification purposes only, how many connections does your waterworks service?

69% 200 or Less

14% 201 to 1,500

8% 1,501 to 5,000

9% More than 5,000

11. With which VDH field office do you have the most contact?

12% Abingdon                      22% Lexington

14% Culpepper                      17% Richmond

19% Danville                      16% Virginia Beach

12. Do you have any suggestions for improving the DWSRF Program? If so, please include them on the back of this survey.

Comments:

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**Thank you very much for your assistance.**





## Open-ended question responses

Question 2 How did you hear about the DWSRF program?

Other Sources:

AWWA activities

VA AWWA

Rural Water Conference

VRA

general word of mouth

seminars & workshops

PSA seminar

RWA meeting

VA Register

Question 6 Why have you never seriously considered applying for funding through the DWSRF?

Other Reasons:

WAY too much red tape

no project at this time

never really thought about it

budgetary reasons

currently in wastewater upgrade program. Need to complete prior to doing water projects

low interest is fine, but a grant is what I need

just never checked into it

I am 91 years old and small community water works (25 connections)

lack of time and other priorities

We are a privately owned facility and our Board of Trustees by laws prohibit applying for credit.

Construction projects not planned

Don't want to go into debt

Independent school

I may be interested if I need to update my system.

Does not appear to be for small water co.'s

When work needs to be done, there isn't time to apply for grant.

Don't know any details whether it can help or not.

I feel my waterworks would be such a low priority that it would not be selected for funding.

may not be eligible to apply

was not aware of the program

my waterworks is too small

I already have a system that I have to maintain and pay for while being controlled by the V.D.H. Using your money would only give you more control and the benefits to customers would be questionable.

Don't understand the program

Had no reason to.

Do not know enough about it.

Question 7 To what other funding source did you apply?

USDA Rural Development

Water rate increase

Bank loan

Virginia Resources Authority

Revenue Bond Sales

State General Fund

FHA/CCBG

local utility bonds

private foundation

local general obligation bonds

(SERCAP) Southeast Rural Community Assistance Project

<b>GENERAL COMMENTS NON-APPLICANTS – Q. 12</b>
Process is too complicated. Small systems are unable to handle the red tape.
Any time the government gets involved the water rates increase.
Waterworks owners do not understand the eligibility requirements of the DWSRF.
The fund is for larger public systems, not for small private operations. If you do not have an emergency crises you cannot get funding.
No suggestions-appears to be an attractive program for those waterworks requiring funding alternatives.
Possible seminar to go through procedure
We talked with someone in Richmond. Since we are a property owners association, it looked like we would not be eligible. We are listed as a 'resort', which doesn't help. We have just completed renovating our (4) 'standpipe' tanks. The first two were paid for by the (80) homeowners. The last two we were able to pay for out of our budget. Total cost will be around \$125,000. We sure could have used some help from DWSRF. We have the best water in S.W.VA.
I realize competition is high for this money. They need to look at overall results a project will provide a facility or system, not just the project at face value. This would include areas including financial impact, treatment effectiveness, and source adequacy.
We are a small (45 connections) community water system with no debt. It is unlikely that any of our projects would rank high enough to receive funding.
I think if there was funding available to help with small water works operators that assist in helping residents that are on small community wells. Especially in repairs, it would save time for residents and help them save costs.
We've attempted to get a \$50 million loan from Richmond for improvements that Danville & the SCC wanted done but they (VA Dept. of Health) did not forward an application or how we were to apply for funds. The Richmond Health Dept. was very not helpful at all. They ignored our letters for help in applying for loans and ignored all correspondence.
The town of S. City has a revolving loan with VRA, and cannot allocate more debt service at this time albeit at low interest or not.
Keep application simple!
Make funding more available to smaller communities, such as ours (40 families). We were told our chances were slim to none!! If this is not case, please have someone contact me. (address and phone given on survey)
With extensive updating being needed on a system that has been milked and patched for the past 15 years by previous operators, I am in search of financial assistance to put this operation in proper working order for present and long-range future benefit. Would like to find out more about this program. Who would I inquire to?
I would like for small community systems to be exempted from government

regulations.
Question: Can a state facility receive financial aid? Please send answer to: sbowen2@pgh.state.va.us.
Good program, we just have not needed it at this time.
We hope to do a major waterworks upgrade beginning in approximately 24 months to accommodate a new patient wing. Simplifying paper work would be a real plus! So much red tape can be right discouraging!
Make the program so it includes a broader use of the funds.
Health department personnel in Danville have always been helpful.
Our waterworks serves a total 83 residents. Our greatest desire is to acquire a second well in the event of our single source. Our controls are already installed as is storage, but we dread a well failure and its dilemma.
When the annual inspections are conducted, the inspecting engineer could identify work that he/she feels meets DWSRF criteria.
I have never been informed of this program prior to this notice and I have been here since 1994 in this capacity.
Inform us of what the program is and how it works.
More distinctive announcement format.
I already have a system that I have to maintain and pay for while being controlled by the V.D.H. Using your money would only give you more control and the benefits of customers would be questionable.
Make applying for grants easier and clear for non-technical people.
Town of Dendron, VA 23839
Make it simple- you would have to be a rocket scientist with a Harvard law degree to comprehend it. Too much paper to read! Although we understand that VDH <u>likes</u> lots of paperwork. It makes them look busy.
Align your program to aid and assist the small worksource waterwork of 50 or less connections.
Make such programs apply regardless of system.
Outlaw In ___ Inc. waterworks is in progress of hooking into city water because of fluoride is high in mine.
We have our well that supplies our 75 employees- we are <u>not</u> a waterworks exert in the imagination of DEQ.
So far, I feel the program is just taking my money and only large waterworks projects can get that money.

Appendix B

**Applicant and Recipient Survey**

September 9, 2002

Dear Waterworks Owner:

We are conducting this survey of waterworks owners for the Virginia Department of Health in order to help it improve its services to you. VDH is particularly interested in your experience with the Drinking Water State Revolving Fund program. As a past applicant to the program, we would greatly appreciate your assistance in this project. The survey is short and should take only a few minutes to complete. Your responses will remain completely anonymous.

Please return your survey in the enclosed business reply envelope by Friday, **July 6, 2001**. No postage is required.

Should you have any questions about the survey, please feel free to contact me. Thank you very much for your help.

Sincerely,

*Kent Nakamoto*  
R.B. Pamplin Professor of Marketing

**Virginia Department of Health DWSRF Survey**  
(Drinking Water State Revolving Fund)

**Section I: DWSRF Application**

**Please recall the last time you applied for funding through the DWSRF program and answer the following questions in relation to that project application.**

1. In what year was this application made? 1995-1, 1997-1, 1998-4, 1999-10, 2000-8, 2001-15

2. What type of funding did you apply for?

56% Construction

22% Planning                      7% Construction and Planning

15% Other (Please describe) \_\_\_\_\_

3. Why was the funding needed? (Check all that apply)

26% To solve a documented health hazard

33% To upgrade treatment facilities

23% To upgrade distribution facilities

23% To extend service to unserved areas

12% Regionalization

21% Other (Please describe) \_\_\_\_\_

4. Why did you choose to apply to VDH? (Please check all that apply)

19% easy process

72% low interest loan

58% grant dollars

22% terms out to 30 years

17% fast turnaround time

2% Other (Please describe) \_\_\_\_\_

5. Did you apply to another funding source in addition to DWSRF to finance this project?

34% Yes

66% No

If Yes, to whom did you apply? \_\_\_\_\_

6. Was the VDH application deadline conveniently aligned with the deadlines of other program(s) from which you sought funding?

90% Yes

10% No

7. Were the Application instructions and Program information provided to you helpful in completing your Application?

95% Yes                      5% No

8. Did you find it necessary to directly contact VDH associates to answer questions about your application for funding?

73% Yes                      27% No

If Yes, were the VDH associates helpful?

96% Yes                      4% No

9. Please circle the number below that best reflects your feeling about the application for funding.

Very Difficult					Very Easy
1	2	3	4	5	
3%	10%	27%	48%	12%	

10. How would you rate VDH's application process relative to other funding sources?

Harder		About the Same		Easier
1	2	3	4	5
9%	0%	43%	34%	14%

11. How timely was the decision on your application , i.e., were you quickly notified that your application was or was not approved?

Very Slow					Very Timely
1	2	3	4	5	
2%	3%	20%	38%	37%	

12. Was your Application selected for funding, i.e., did you receive funding from VDH?

66% Yes (Please continue with Section II on the next page)

34% No (Please answer questions a and b below, then skip to Section III on the last page of the survey)

- a. Were you satisfied with the explanation provided by VDH?

67% Yes                      33% No

- b. Do you plan to reapply next year?

29% Yes                      71% No

If No, why not? (Please check all that apply)

14% Alternative funding obtained

0% Other priorities have superseded this project

0% Lack of community support for this project

57% Other (Please describe) \_\_\_\_\_

Section II: For DWSRF Funding RECIPIENTS only

**Please recall the last time you *received* funding through the DWSRF program and answer the following questions in relation to that project application.**

13. Please rank order the following in terms of their importance to you in making DWSRF funding package terms more attractive (1=most important, 5=least important)

- 9%      Larger loan amount
- 30%     Lower interest rate
- 40%     Larger grant amount (as proportion of total funding)
- 9%      Longer loan repayment schedule
- 14%     Other (Please describe) \_\_\_\_\_

14. Did you receive funding from another source to fund this project?

36% Yes                      64% No

15. Did VDH's funding assist you in getting funding from the other funding sources?

23% Yes                      77% No

If Yes, please describe how. \_\_\_\_\_

\_\_\_\_\_

16. Did VDH's actions (advice, technical assistance, etc.) help you get this project started (planned, designed, and/or under construction) more quickly?

67% Yes                      33% No

17. In your Initial Meeting with VDH following your funding approval, were each of the following made clear to you?

- |  |          |       |
|--|----------|-------|
| a. Procedures for receiving funding  | 100% Yes | 0% No |
| b. Next steps required in implementing the project   | 100% Yes | 0% No |
| c. Questions you had about VDH and your project  | 95% Yes  | 5% No |
| d. Identification and role of VDH associates and other persons you would be working with in administering your project | 95% Yes  | 5% No |

18. Were the VDH associates and other persons assigned to your project responsive and helpful to you in your administration of your project?

96% Yes                      4% No

If No, please explain. \_\_\_\_\_

\_\_\_\_\_

**Please continue on back page**



19. How useful was the VDH Project Schedule which you completed useful in helping you maintain focus on completing the various elements needed to close the loan/grant?

Not at all useful					Very Useful
1	2	3	4	5	
5%	0%	57%	19%	19%	

20. During the period before closing, did any of the following create any major problems in closing the loan/grant? (Please check all that apply)

- 11% Parity
- 7% Land title
- 4% VDH Construction Permit
- 7% Environmental Review
- 7% Other agencies (Please specify) \_\_\_\_\_
- 0% Other (Please specify) \_\_\_\_\_

21. After closing on the loan, were Requests for Disbursement processed in a timely fashion?

92% Yes                      8% No

22. Would you apply to VDH again if a funding need arose?

91% Yes                      9% No

***Section III - Suggestions for Improvement***

23. For classification purposes only, how many connections does your waterworks service?

- 28% 200 or Less
- 39% 201 to 1,500
- 25% 1,501 to 5,000
- 8% More than 5,000

24. With which VDH field office do you have the most contact?

- 26% Abingdon                      21% Lexington
- 10% Culpepper                      23% Richmond
- 21% Danville                      0% Virginia Beach

25. Do you have any suggestions for improving the DWSRF Program?

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**Thank you very much for your assistance.**

## Applicants

Q. 2 What type of funding did you apply for?

Other:

Legal assistance

Source water assessment

educational development

enhance lab capacity in support of water program

improvement to existing system

set aside tech asst.

Q. 3 Why did you choose to apply to VDH?

Other:

test well

upgrade water sources

Treatment expansion

upgrade source facilities

To negotiate an agreement with the county & an adjoining town to connect to their system

to identify potential sources of contamination; source protection

distance learning

see above

tech asst. rural ground work & surface water planning

Q. 5 To what other funding source did you apply?

Rural Dev.

Rural Dev., DHCD

Revenue Bonds

VRA pooled bond program

RDV, EDA

CDBG, RD, DEQ

RECD, SERCAP

ARC, CDBG, DHCD

USDA Rural Development

Sleup Foundation

URA

bank

CDBG

rural development

Q. 12 Why do you not plan to reapply next year?

Other:

We are private and our projects will never be funded, as we have financial means to fund ourself. Even though our customers are the ultimate parties to be affected.

Not qualified

Don't think we'll be funded

Your facility must be in an unsafe condition to receive funding  
median income is too high  
my application was lost. I am still not sure if this fund is for privately owned water  
systems or not  
My projects do not fit the fund requirements mostly because I have NCNT water systems.  
I feel this funding is only for violators not for plants that take pride in trying to to keep  
violations from happening. When you know if limits will put yours in violation in the  
near future, and you can document changes in this. Funding should be available through  
.3 tublicators, etc.

Q.13 Other ways to make DWSRF funding package terms more attractive  
Under current regulations, I can see no reason to ever consider this funding source in the  
future  
Received grant-never received a loan  
Good finding sources  
contribute more expertise  
additional set aside for rural areas  
see comment in 12b

Q.15 Did VHD funding help you get other funding  
Provides leverage  
condition of USDA loan was grant money for planning

Q.20e  
Rural Dev. Program is time consuming and very deliberate  
We closed with DEQ & RD at same time simple logistics were a problem but not major

Q.20f Other problems in closing  
construction delays

<b>GENERAL COMMENTS APPLICANTS – Q. 25</b>
Assistance provided by Danville field office and specifically Bill Thompson was excellent. I hope all relationships between localities and VDH are as productive.
Don't reward systems that avoid rate increases that reflect the true cost of providing water service. This is an endless cycle that causes customers to under value water service.
A complete overhaul of the program that makes it user friendly.
Fund projects that will avoid violations and avoid unsafe conditions rather than just correct them after they have occurred.
Keep up with the great work!
A resource sheet for contacts and agencies that can provide info for application.
Technical assistance support from the PDE's would be helpful. Support for packaging applications prior to funding is needed-they have been supportive, but if they had additional funding it could assist the producers.
Grant criteria for median income is too stringent very small systems do not have enough users to absorb the expense to improvements even though the median income is above their limit.
One significant area of confusion was what activities were eligible for grant funding. The application asked for a detailed description of source water assessment activities that turned out to be ineligible for funding. It would've been helpful if eligible activities were more clearly laid out in the initial application, to avoid investing extra time on it.
Process has been very good. We have not closed as yet due to construction delays...
Have systems receiving funds to submit information to <a href="http://www.wateredu.com">www.wateredu.com</a> for publication.
Please do not send nor encourage us to apply if funds are not for privately owned systems.